
**GOLD-ORE RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
NOVEMBER 30, 2004 AND 2003**



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

AUDITORS' REPORT

To the Shareholders of
Gold-Ore Resources Ltd.

We have audited the consolidated balance sheets of Gold-Ore Resources Ltd. as at November 30, 2004 and 2003 and the consolidated statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

/s/ "Manning Elliott"

Chartered Accountants
Vancouver, British Columbia
April 14, 2005

GOLD-ORE RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
AS AT NOVEMBER 30, 2004 AND 2003

	2004	Restated (Note 2) 2003
ASSETS		
CURRENT ASSETS		
Cash	\$ 28,098	\$ 1,199,664
Marketable securities (Note 4)	729,465	–
Accounts receivable	25,743	38,914
Prepaid expenses	6,446	–
	<u>789,752</u>	<u>1,238,578</u>
PROPERTY AND EQUIPMENT (Note 5)	5,675	35,294
MINERAL PROPERTY COSTS (Note 6)	65,998	812,316
	<u>\$ 861,425</u>	<u>\$ 2,086,188</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 66,007	\$ 115,235
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	3,432,002	2,873,528
CONTRIBUTED SURPLUS (Note 7(d))	24,000	24,000
DEFICIT	(2,660,584)	(926,575)
	<u>795,418</u>	<u>1,970,953</u>
	<u>\$ 861,425</u>	<u>\$ 2,086,188</u>

COMMITMENTS (Note 12)
SUBSEQUENT EVENTS (Note 13)

See accompanying notes to the consolidated financial statements

Approved on behalf of the Board of Directors:

"Bob Wasylyshyn"
Bob Wasylyshyn, Director

"Glen Dickson"
Glen Dickson, Director

GOLD-ORE RESOURCES LTD.**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

	2004	Restated (Note 2) 2003
INCOME	\$ -	\$ -
EXPENSES		
Accounting and legal	24,781	47,689
Amortization	6,702	2,844
Bank charges and interest	1,064	6,459
Stock-based compensation expense	-	24,000
Foreign exchange	8,773	63,295
Grassroots exploration costs	81,415	43,587
Loss on disposal of property and equipment	1,460	-
Management fees (Note 11)	75,249	152,650
Office and rent (Note 11)	45,614	65,498
Transfer agent and regulatory fees	12,842	27,262
Travel and promotion	4,196	4,193
Writedown of property acquisition costs (Note 6)	333,393	-
Writedown of deferred exploration costs (Note 6)	1,159,459	-
Less: Interest and other income	(20,939)	(10,300)
Gain on sale of marketable securities	-	(73,208)
	1,734,009	353,969
LOSS FOR THE YEAR	(1,734,009)	(353,969)
DEFICIT, BEGINNING OF YEAR	(926,575)	(572,606)
DEFICIT, END OF YEAR	\$(2,660,584)	\$ (926,575)
LOSS PER SHARE (Note 9)		
Basic and diluted	\$ (0.08)	\$ (0.02)

See accompanying notes to the consolidated financial statements

GOLD-ORE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003

	2004	Restated (Note 2) 2003
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (1,734,009)	\$ (353,969)
Items not involving cash		
Amortization	6,702	2,844
Stock-based compensation expense	–	24,000
Loss on sale of property and equipment	1,460	–
Gain on sale of marketable securities	–	(73,208)
Writedown of property acquisition costs (Note 6)	333,393	–
Writedown of deferred exploration costs (Note 6)	1,159,459	–
	(232,995)	(400,333)
Net change in non-cash working capital items	(42,503)	81,534
	(275,498)	(318,799)
FINANCING ACTIVITIES		
Issuance of common shares	558,474	1,545,759
INVESTING ACTIVITIES		
Increase in marketable securities	(729,465)	–
Purchase of property and equipment	(1,612)	(36,790)
Proceeds on sale of property and equipment	23,069	–
Proceeds on sale of marketable securities	–	387,508
Purchase of mineral claims and option payments	(13,480)	(69,914)
Exploration costs	(733,054)	(433,424)
	(1,454,542)	(152,620)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(1,171,566)	1,074,340
CASH, BEGINNING OF YEAR	1,199,664	125,324
CASH, END OF YEAR	\$ 28,098	\$ 1,199,664
NON-CASH FINANCING ACTIVITIES		
2,500,000 shares were issued for acquisition of US mineral property	\$ –	\$ 250,000
400,000 shares were issued in settlement of debt	–	52,000
30,000 shares were issued in payment of finders fees	–	8,100
	\$ –	\$ 310,100
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest	–	–
Cash paid for income taxes	–	–

See accompanying notes to the consolidated financial statements

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold-Ore Resources Ltd. (the "Company") was incorporated on October 22, 1996 under the Business Corporations Act (Alberta). On December 16, 1996 the Company was extra-provincially registered under the Company Act of British Columbia.

The Company's principal business activities include the acquisition, exploration and development of mineral properties domiciled in Central America and the United States. The Company has not yet determined whether any of these properties contain ore reserves that are economically recoverable.

The recoverability of carrying amounts for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or proceeds from the disposition thereof. It is reasonably possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties could be written-off.

2. SIGNIFICANT ACCOUNTING POLICIES**(a) Principles of consolidation**

These financial statements have been prepared on a consolidated basis and include the accounts of the Company and its 100% owned U.S. subsidiary, La Plata Minerals Limited, and its 100% owned Honduran subsidiary, Recursos Santana S.A. de C.V. All significant inter-company balances and transactions have been eliminated.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(c) Mineral property costs

Mineral property acquisition costs and related exploration and development costs are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include the cash consideration and the fair market value of common shares issued for mineral property interests based on the trading price of the shares pursuant to the terms of the agreement. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned.

Once commercial production has commenced, the net costs of the applicable property will be charged to operations using the unit-of-production method based on reserves. On an ongoing basis, the Company evaluates each property based on results to date to determine the nature of exploration work that is warranted in the future.

An impairment may occur in the carrying value of mineral interests when one of the following conditions exists.

- (i) the enterprise's work program on a property has significantly changed, so that previously identified resource targets or work programs are no longer being pursued;
- (ii) exploration results are not promising and no more work is being planned in the foreseeable future; or
- (iii) remaining lease terms are insufficient to conduct necessary studies or exploration work.

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Mineral property costs (continued)

Once an impairment has been determined then a portion of the carrying value will be written down to net realizable value.

Amounts shown for mineral properties reflect costs incurred to date, less writedowns, and are not intended to reflect present or future values.

(d) Property and equipment

Property and equipment is initially recorded at cost. Amortization is subsequently provided using the following methods and annual rates:

Office equipment	Declining balance basis at 30% per annum
Vehicles	Straight-line over five years

(e) Translation of foreign currencies

Transactions in foreign currencies are translated into the currency of measurement at the exchange rates in effect on the transaction date. Monetary items expressed in foreign currencies are translated into the currency of measurement at the exchange rates in effect at the balance sheet date. The resulting exchange gains and losses are recognized in income.

The Company's integrated subsidiaries are financially or operationally dependent on the Company. The Company uses the temporal method to translate the accounts of its integrated operations into Canadian dollars. Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. The resulting exchange gains or losses are recognized in income.

(f) Stock-based compensation

Effective December 1, 2003, the Company adopted the new recommendation of CICA Handbook Section 3870, "Stock-based Compensation and Other Stock-based Payments". In accordance with the transitional provisions permitted under the section, the Company prospectively applied the fair value method in 2004 to all employee and non-employee stock options granted, settled and modified on or after December 1, 2003.

Under this method, compensation expense for stock option grants to employees and non-employees is based on the fair value of the stock options issued at the grant date which is determined using the Black-Scholes Option-Pricing Model. Compensation expense for stock options granted to non-employees is recognized as the options are earned and the services are provided. Compensation expense for stock options granted to employees is amortized over the vesting period. Consideration paid by employees and non-employees on the exercise of stock options is recorded as share capital.

(g) Earnings per share

The Company uses the treasury stock method to calculate fully diluted earnings per share. Under this method, all options whose average exercise price is less than or equal to the average share price for the year are assumed to be exercised and all convertible securities are converted at the average share price during the period. Also under this standard, certain shares that are considered contingently issuable, such as escrowed shares subject to release based on performance criteria, are excluded from the calculation of weighted average common shares.

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Long-lived assets

The recoverability of long-lived assets, which includes property and equipment and mineral property costs, is assessed when an event occurs indicating impairment. Recoverability is based on factors such as future asset utilization and the future undiscounted cash flows expected to result from the use or sale of the related assets. An impairment loss is recognized in the period when it is determined that the carrying amount of the asset will not be recoverable. At that time the carrying amount is written down to fair value.

(i) Marketable securities

Marketable securities include highly liquid financial instruments that have a maturity of 90 days to 1 year when acquired. Marketable securities are valued at the lower of cost and market value.

3. RESTATEMENT OF 2003 FINANCIAL STATEMENTS

During the year ended November 30, 2003, the Company recorded stock-based compensation expense of \$83,874 for 500,000 stock options that were not officially granted due to an administrative error. As a result of this error, the Company has restated its 2003 financial statements presented for comparative purposes. The restatement reduced stock-based compensation expense from \$107,874 to \$24,000 and increased shareholders' equity from \$1,887,079 to \$1,970,953. Net loss per share decreased from \$0.03 to \$0.02.

4. MARKETABLE SECURITIES

Marketable securities consist of bankers' acceptances issued by a major financial institution maturing as follows:

January 14, 2005	\$ 314,906
January 19, 2005	414,559
	<hr/> \$ 729,465

5. PROPERTY AND EQUIPMENT

			2004	2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 12,005	\$ 6,330	\$ 5,675	\$ 6,127
Vehicles	-	-	-	29,167
	<hr/> \$ 12,005	<hr/> \$ 6,330	<hr/> \$ 5,675	<hr/> \$ 35,294

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

6. MINERAL PROPERTY COSTS

	Nicaragua	United States (La Plata)	Honduras	Total
2004				
Exploration Costs – Beginning of Year	\$ –	\$ 134,921	\$ 357,482	\$ 492,403
Deferred during the year				
Assaying	8,869	2,175	38,979	50,023
Consulting	37,611	281	172,424	210,316
Drilling	–	–	349,532	349,532
Field equipment and supplies	976	–	12,430	13,406
Field office	354	–	6,609	6,963
Field wages	1,031	–	18,009	19,040
Licenses, taxes and permits	–	14,656	4,795	19,450
Surveying and mapping	36	–	2,400	2,436
Travel and accommodation	15,649	–	31,639	47,288
Vehicles and fuel	1,472	–	13,127	14,599
	65,998	17,112	649,944	733,055
	65,998	152,033	1,007,426	1,225,457
Writedown	–	(152,033)	(1,007,426)	(1,159,459)
Exploration Costs – End of Year	65,998	–	–	65,998
Acquisition Costs – Beginning of Year	–	304,687	15,226	319,913
Acquisition During the Year	–	–	13,480	13,480
	–	304,687	28,706	333,393
Writedown	–	(304,687)	(28,706)	(333,393)
Acquisition Costs – End of Year	–	–	–	–
Mineral Property Costs	\$ 65,998	\$ –	\$ –	\$ 65,998

	Nicaragua	United States (La Plata)	Honduras	Total
2003				
Exploration Costs – Beginning of Year	\$ –	\$ 58,979	\$ –	\$ 58,979
Deferred during the year				
Assaying	–	3,310	43,140	46,451
Consulting	–	58,261	166,763	225,024
Drilling	–	–	–	–
Field equipment and supplies	–	22	20,540	20,562
Field office	–	295	6,282	6,576
Field wages	–	–	13,029	13,029
Licenses, taxes and permits	–	9,084	3,684	12,768
Surveying and mapping	–	–	3,631	3,631
Travel and accommodation	–	4,970	70,286	75,256
Vehicles and fuel	–	–	30,127	30,127
	–	75,942	357,482	433,424
Exploration Costs – End of Year	–	134,921	357,482	492,403

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

6. MINERAL PROPERTY COSTS (continued)

2003	United States			
	Nicaragua	(La Plata)	Honduras	Total
Acquisition Costs – Beginning of Year	–	–	–	–
Acquisition During the Year	–	304,687	15,226	319,913
Acquisition Costs – End of Year	–	304,687	15,226	319,913
Mineral Property Costs	\$	– \$ 439,608	\$ 372,708	\$ 812,316

(a) Allard Property, Colorado, USA (“La Plata”)

On May 30, 2002, the Company purchased, for US\$200,000 (\$304,687) La Plata Minerals Limited, a private company in Colorado, which has a 100% interest in a major porphyry copper-precious metals deposit located in southwestern Colorado called the Allard Property. The Company spent \$152,033 in exploration activities in the property to November 30, 2004.

During the summers of 2003 and 2004, the Company contracted the Property vendors to complete small soil and rock sampling programs over two areas on the Allard Property. Anomalous values of copper in soil were outlined in both areas.

The Company is seeking partners for this project. However, pursuant to the Company's impairment policy, management has determined that an impairment charge of \$456,720 be charged to operations at November 30, 2004.

(b) Honduras

In the first quarter of 2003 the Company initiated an exploration campaign in Central America primarily in Honduras. Applications for concessions covering three separate areas have been filed with the Honduran government. Presently, no concessions are being granted in Honduras due to a review of the mining act and civil anti-mining activists. Pursuant to these factors and other factors, management has determined that an impairment charge of \$1,036,132 be charged to operations at November 30, 2004.

In June 2004, the Company signed an agreement with Breakwater Resources to explore the Monserrat (Yuscarán) mineral concession in Honduras.

Under terms of the agreement, the Company will spend up to \$US1.5 million to earn 100% interest in the project. After the Company has completed this expenditure, Breakwater has the right to elect to complete additional exploration expenditures totalling \$US3.75 million to earn back 60% or receive 1.5 million common shares of the Company. Should Breakwater earn back 60% it has the right to increase its interest to 70% by providing the Company's share to debt financing on any mine development. The Yuscarán project is located 90 kilometres east of the capital city of Tegucigalpa. Previous work on the Property was conducted by United Nations in 1989 and Breakwater in 1998.

The Company completed surface exploration programs including geological mapping, soil and rock geochemical sampling, trenching and a resistivity geophysical survey. Following the completion of these programs a diamond drill program totalling 2,700 metres in 15 holes was completed. The drilling failed to confirm many of the previously reported intersections and did not expand the known zones of mineralization. The Company is reviewing its strategy for the project.

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

6. MINERAL PROPERTY COSTS (continued)

(c) Nicaragua

In June 2004, the Company signed a Letter of Understanding and in December 2004 (a Definitive Agreement was signed) with Glencairn Gold Corporation ("Glencairn") to explore the Tatascame Project in the northern portion of the La India Gold District, Nicaragua. The La India area is located 140 kilometres northwest of Managua and is 45 kilometres east of Glencairn's El Limon mine. The Tatascame Project covers 12 square kilometres and hosts a number of epithermal mineralized vein swarms including the Cristalitos vein system that has been followed for approximately 300 metres and to a depth of 60 metres. High-grade ore from the upper parts of the Cristalitos vein was mined and shipped to the La India mill for processing in the 1950's.

Under terms of the Definitive Agreement the Company will issue Glencairn up to 100,000 common shares of the Company and expend \$US400,000 over two years to earn 51% in the property. Thereafter a 51%-49% Joint Venture will be formed to continue exploration. At completion of a feasibility study and a production decision Glencairn has the right to reacquire 2% and become operator by agreeing to arrange non-recourse project financing which provides for 60% of the estimated capital cost for development. The Company has also completed property-scale mapping, soil sampling and limited trenching. Drilling will commence in the first quarter of 2005.

7. SHARE CAPITAL

(a) Authorized:

Unlimited common shares, voting, without par value
Unlimited preferred shares, non-voting, without par value

(b) Issued and Outstanding:

	Number of shares	Amount
Balance, November 30, 2002	10,129,788	\$ 1,025,769
Issued during the year		
For cash		
Private placements (Note 7(c))	6,000,000	1,450,000
Less commission and issue costs	-	(123,525)
Exercise of stock options	50,000	6,000
Exercise of warrants	871,050	205,184
For debt and services		
Finders fees	30,000	8,100
Management fees	400,000	52,000
For property		
La Plata acquisition	2,500,000	250,000
Balance, November 30, 2003	19,980,838	2,873,528
Issued during the year		
Exercise of warrants	2,013,187	539,844
Exercise of agents options (Note 7(c))	484,625	18,630
Balance, November 30, 2004	22,478,650	\$ 3,432,002

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

7. SHARE CAPITAL (continued)

(c) Private Placements

- (i) The Company issued a non-brokered private placement of 1,000,000 units at \$0.10 per unit for proceeds of \$100,000. Each unit consisted of one common share and one common share purchase warrant exercisable for a one-year period at a price of \$0.15.
- (ii) The Company issued 5,000,000 units at \$0.27 per unit for proceeds of \$1,350,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.27 per share for a period of 6 months and thereafter at a price of \$0.31 for an additional 12 months from the closing of the financing. The Company paid a 7% commission on the gross proceeds and issued Agent's Options to purchase 750,000 units. One Agent's option entitles the Agent to purchase one unit, consisting of one common share of the Company and one-half share purchase warrant, at a price of \$0.27 per unit. Once exercised, one share purchase warrant entitles the holder to acquire one common share at a price of \$0.27 for a period of 6 months and thereafter at a price of \$0.31 for an additional 12 months. The Agent's options will expire on January 11, 2005. The share purchase warrants have the same expiry date as the Agent's options.

(d) Stock Options

The Company has established a stock option plan whereby options may be granted to the Company's directors, officers, employees and consultants for up to 10% of the common shares issued and outstanding. The exercise price of each option is determined by the board of directors and an option's maximum term is five years. Any consideration paid by option holders on the exercise of stock options is credited to share capital.

	Number of shares under option	Weighted average exercise price \$
Balance, November 30, 2002	1,000,000	0.11
Granted	400,000	0.33
Exercised	(50,000)	0.12
Balance, November 30, 2003 and 2004	1,350,000	0.12

The following table summarizes the stock options outstanding at November 30, 2004:

Exercise price	Options outstanding			Options exercisable	
	Number of shares	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$0.10	900,000	2.3	\$0.10	900,000	\$0.10
\$0.15	400,000	3.1	\$0.15	400,000	\$0.15
\$0.25	50,000	0.4	\$0.25	50,000	\$0.25

Stock options outstanding at November 30, 2004 will expire between May 1, 2005 and January 16, 2008.

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

7. SHARE CAPITAL (continued)

(e) Share Purchase Warrants

	Number of warrants	Purchase price per share
Balance, November 30, 2002	1,815,000	\$0.15 - 0.30
Issued	3,515,625	0.27
Exercised	(839,800)	0.15 - 0.27
Expired	(1,585,000)	0.15 - 0.30
Balance, November 30, 2003	2,905,825	0.15 - 0.27
Issued	242,313	0.27
Exercised	(2,497,812)	0.15 - 0.31
Balance, November 30, 2004	650,326	\$0.31

Share purchase warrants outstanding at November 30, 2004 expired on January 11, 2005.

8. INCOME TAXES

In assessing the realization of the Company's future tax assets, management considers whether it is more likely than not that some portion or all of the Company's future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. It is management's opinion that the Company's future tax assets are unlikely to be realized. Based upon this assessment, the Company has provided fully against these assets.

At November 30, 2004, the Company has the following tax assets:

- (a) The Company has Canadian tax losses to carry-forward to reduce future years' taxable income of \$737,000 expiring as follows:

2005	\$ 41,000
2006	35,000
2007	57,000
2008	39,000
2009	57,000
2010	355,000
2011	153,000

- (b) Canadian exploration expenses of \$121,000 (2003 - \$121,000), can be deducted 100% against future years' taxable income.
- (c) Canadian development expenses of \$48,000 (2003 - \$48,000), are available at a rate of 30% each year for deduction against future years' taxable income.
- (d) Foreign exploration and development expenses of \$1,744,000 (2003 - \$415,000) are fully deductible against foreign mineral profits or 10% of taxable income in any given year.

The value of these tax assets has been reduced to \$nil because of a valuation allowance.

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

9. LOSS PER SHARE

The weighted-average number of shares outstanding used in the computation of loss per share and fully diluted loss per share for the year ended November 30, 2004 was 22,255,621 (2003 – 15,673,793). Outstanding share options, agent options and warrants have not been considered in the computation of fully diluted loss per share, as they are anti-dilutive.

10. FINANCIAL INSTRUMENTS**(a) Fair value of financial instruments**

The Company has various financial instruments including cash, marketable securities, accounts receivable, bank indebtedness and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values due to their short terms to maturity.

(b) Concentrations of business risk

The Company maintains substantially all of its cash and marketable securities with Canadian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

As the Company operates in an international environment, some of the Company's transactions are denominated in currencies other than the Canadian dollar. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations.

11. RELATED PARTY TRANSACTIONS

The following related party transactions were recorded at their exchange amounts:

- (a) The Company paid \$14,190 (2003 - \$14,488) in rent to a company with common directors.
- (b) The Company recorded \$180,000 (2003 - \$186,850) in management fees due to directors as compensation for services performed. As at November 30, 2004, \$7,500 remained payable to a director (2003 - \$7,500).
- (c) The Company paid \$12,354 (2003 - \$15,181) for administrative services to a company with common directors.

12. COMMITMENTS

The Company has entered into operating lease commitments for premises and office equipment for the next five years as follows:

2005	\$31,434
2006	45,017
2007	44,905
2008	44,905
2009	3,742

GOLD-ORE RESOURCES LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FOR THE YEARS ENDED NOVEMBER 30, 2004 AND 2003**

13. SUBSEQUENT EVENTS

Subsequent to year-end, the Company announced the formation of a syndicate with two other arm's length parties to explore for uranium in Central America. Under terms of the agreement, the Company will be carried for the initial \$1 million expenditure by the two other companies. There after each of the three companies will share equally in further expenditures. Applications for concessions were made in Guatemala covering geologically prospective areas.

On March 18, 2005 the Company granted incentive stock options to one director of the Company and Company consultants, to purchase up to 500,000 common shares at an exercise price of \$0.23. The options are exercisable for a period of five years ending on March 18, 2010. The grant of the stock options is subject to regulatory approval.

On March 30, 2005 the Company closed the non-brokered private placement of 1,000,000 units at a price of \$0.20 to raise \$200,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will be exercisable for the purchase of one common share of the Company at a price of \$0.25 per share for a period of 12 months and thereafter at a price of \$0.30 for an additional 12 months from the closing of the financing. The Company paid a commission equalling 10% of the proceeds raised by registered dealers or agents, paid in common shares of the Company at a deemed price of \$0.20 per share, together with broker's warrants to acquire that number of units equalling 10% of the units sold, exercisable at a price of \$0.20 per unit for a period of 12 months. The Company paid a cash finder's fee equalling 10% of the proceeds raised by non-registered third parties.

On March 31, 2005 the Company announced that it signed a Letter of Understanding (the "LOI") with a private company, to acquire up to an 85% interest in the Cerro Colorado Gold Property (the "Property"), located in northwestern El Salvador, Central America. Under terms of the LOI, the Company will issue 100,000 common shares to the private company on signing a definitive agreement. Gold-Ore will then have the option to acquire up to a 75% interest in the Property by issuing a total of 300,000 shares and incurring exploration expenditures on the Property of US\$2.25 million over the following 60 months. Under certain conditions Gold-Ore may elect to convert its interest into a net smelter royalty ("NSR"). The Company can increase its interest to 85% by completing a Feasibility Study. Thereafter, the private company retains the right to participate in a standard 85%-15% joint venture or convert its interest to a 3% NSR. Gold-Ore will have the right to purchase two of the three percent NSR for US\$1.0 million per percentage point.